

**LICENSING REQUIREMENTS
FOR
BUYERS AND SELLERS OF FARM PRODUCTS (INCLUDING HAY)
IN NEVADA**

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The state of Nevada requires individuals who buy, exchange or resell Nevada farm products or livestock to be licensed and bonded. The licenses are issued by the Department of Agriculture. Brokers, dealers, commission merchants, cash buyers, and agents who sell, exchange or transfer farm products must be licensed. Licensed individuals are also issued a wallet-sized license card. Producers should ask to see a buyers' license or license card before that person or firm takes possession of the farm products. Although not required by law, a written contract between the producer and the dealer, commission merchant, or broker stating the terms of their agreement is recommended. Weighmasters certificates can further protect the producer's interest.

Some commonly asked questions include:

Do you need a license to sell your own farm products? No. Producers who sell their own products do not have to be licensed. A buyer purchasing for their own use does not have to be licensed.

Who must be licensed? Individuals, corporations, firms or associations acting as a broker, dealer, commission merchant, cash buyer or agent must first obtain a license with the Department prior to operating in the state of Nevada.

Are there other exemptions? Yes. The following are exempt from licensing: non profit organizations, retail only merchants with a fixed place of business and Nevada farmers or ranchers who purchase not for immediate resale.

What kinds of licenses are issued? Licenses are issued in the following categories:

- **Broker:** any person who negotiates the purchase or sale of any farm product and who does not handle either the product for sale or the proceeds of the sale.
- **Dealer:** any person who solicits, contracts for or obtains from the producer or agent, title, possession or control of any farm product or livestock, or who buys or agrees to buy any farm product or livestock from the producer.
- **Commission merchant:** any person who receives a farm product on consignment, or who sells or offers farm products for sale on commission, or who in any way handles a farm product on commission for the producer.

- **Cash buyer:** any person who purchases a farm product for the purpose of resale, and who pays in cash, money order or certified check. Personal checks are not acceptable.
- **Agent:** any person, who receives, negotiates, solicits or contracts a transaction on behalf of any of the above licensees.

How to I obtain a license? Application is made to the Department of Agriculture on forms provided by the Department office in Reno, Nevada. The applicant must complete the appropriate application, pay a fee and furnish information including, but not limited to, the following:

- Name and address of the person, corporation, firm, exchange, or association
- The name and address(s) of the person or persons with authorization to act for the business in all matters
- A three year employment and business record
- A record of arrests and/or civil suits
- The county or counties in which the applicant intends to do business
- The commodities the applicant proposes to handle
- Additional information may be required by the Department before an application is approved.

As part of the licensing process, applicants must prove to the satisfaction of the Department that they will conduct their business in good faith and in a responsible manner. Failure of any person to satisfy the Department of their character, good faith and responsibility may be grounds for the denial of an application or renewal of a license. The Department carefully reviews each license renewal for complaints or actions against the licensee.

In addition, the licenses of agents, brokers, commission merchants and dealers are secured with a bond. The amount of the bond is abased on the applicant's actual or anticipated annual dollar amount of purchase. Licensed cash buyers ***are not bonded and must purchase farm products or livestock only in cash, with a money order or by certified check.***

Is there a fee to become licensed? Yes. At the current time, there is a \$40.00 fee to become licensed as a dealer, broker, commission merchant or cash buyer. The fee to be a licensed agent is \$10.00.

Do I have to renew my license every year? Yes. Licenses are valid for one year from the date of issuance.

Are there record-keeping requirements for licensees? Yes. Commission merchants must keep accurate records regarding handling, sale or storage of the farm products of which they take possession. They must also record the name and address of the consignor,

the date the farm product was received, its quality and quantity, the price obtained when sold, and an itemized list of the charges to be paid by the consignor in connection with the sale.

Dealers must maintain records detailing the name and address of the grower from whom they purchased hay, and the date received. They must also record the price paid, and an itemized statement of any charges paid by the dealer on behalf of the producer. Dealers must keep these records for one year from the date of sale.

When a broker negotiates the sale of farm products, a written memorandum of sale, showing price, date of delivery, quality and other details about the transaction shall be given by the broker to both buyer and seller.

How do I know if a business or individual is licensed? The Department issues licensed persons a number, a license, and a wallet-sized license card which lists the licensee name, business type (cash buyer, dealer, commission merchant, agent, broker) and expiration date. The license card is signed by a representative of the Department. Questions regarding the current status of a license should contact the Department of Agriculture office at (775) 688-1180.

What do I do if I have a complaint against a licensed business? The Nevada Department of Agriculture is authorized to investigate complaints made against licensed or unlicensed individuals or businesses that sell, or offer for sale or exchange, farm products and livestock.

Where can I get more information? Call the nearest office of the Nevada Department of Agriculture or come in person to any of the following offices:

Reno Office
Nevada Department of Agriculture
350 Capitol Hill Avenue
Reno, Nevada 89502
(775) 688-1180

Winnemucca Office
Nevada Department of Agriculture
1200 E. Winnemucca Blvd.
Winnemucca, NV 89445
(775) 623-6502

Elko Office
Nevada Department of Agriculture
Eyer H. Boies Building
1351 Elm Street
Elko, NV 89801
(775) 738-8076

Las Vegas Office
Nevada Department of Agriculture
2300 McLeod
Las Vegas, NV 89104
(702) 486-4690

Carson City Office
Nevada Department of Agriculture
251 Jeanell Drive, Suite 3
Carson City, NV 89703
(775) 684-5333